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CIA Denies Lockheed Bribe Role

The CIA denied yesterday that it was involved in any illegal payments in Japan by Lockheed Aircraft Corp. The denial came after reports surfaced that the CIA knew of the payments.

The New Republic magazine said the CIA may have been aware of the payments because of its connection with an international currency-dealing firm that served as a Lockheed conduit.

And The New York Times reported that many details of the payments were reported at the time to the CIA.

"The CIA has not been involved in any Lockheed bribery operations," said the agency's statement.

ASKED WHETHER the CIA was aware of the illegal payments in Japan, the spokesman said the one-sentence statement was all the agency had to say and that it "gets to the heart of the matter."

Lockheed has said it paid out \$12 million to help promote business in Japan and that \$2 million of that went to Japanese government officials over several years.

In a copyrighted article in its April 2 issue, which also appeared in The Washington Star yesterday, The New Republic says that Deak & Co. of New York, dealers in international currency, was the channel for about \$3.2 million of the Lockheed money.

There was no comment from Deak & Co.

The New York Times reported that many details of Lockheed's bribery of Japanese politicians in the

sale of its F104 fighter plane in the late 1950s were reported at the time to the Central Intelligence Agency.

THE TIMES quoted a former CIA official and unidentified Japanese sources as saying details of Lockheed's spending an estimated \$1.5 million to win the fighter contract from Grumman Aircraft Corp. were sent through CIA channels from the American embassy in Tokyo.

The former official was quoted as saying the CIA station in Tokyo "was checking with headquarters every step of the way when the Lockheed thing came up. Every move made was

approved by Washington."

The Times said Mitchell Rogovin, CIA counsel, would neither confirm nor deny that the agency knew of the payments to Japanese officials.

Author Tad Szulc said in the New Republic article that Deak and Co. "for many years has . . . served as a covert channel for worldwide financial operations of the CIA" and that this is "a matter of guarded knowledge in Washington's intelligence community."

"Therefore, it is more than likely that the CIA was aware all along of Lockheed's secret activities in Japan, including the pay-

ments of millions of dollars . . . to the leader of an extreme right-wing Japanese political faction and still unidentified senior Japanese officials," he wrote.

Szulc quoted "well-placed American sources" as saying the CIA "may even have orchestrated much of Lockheed's financial operations in Japan, pursuant to secret U.S. foreign policy objectives.

The Lockheed payments became known last February during hearings of a Senate committee, with much of the money allegedly going through Yoshio Kodama, identified as an influential power broker.

MORI/CDF